

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

AMERICAN VIDEO GRAPHICS, L.P.,	§	
	§	
Plaintiff,	§	CIVIL ACTION
	§	
vs.	§	6:04cv398 LED
	§	
ELECTRONIC ARTS, INC., et al.,	§	JURY TRIAL
	§	
Defendants.	§	

**REPORT ON
GLOBAL SETTLEMENT STATUS**

Plaintiff American Video Graphics L.P. (“AVG”) files this report on the status of the “Global Settlement.” In December, AVG reached a settlement agreement with the vast majority of the Defendants and Intervenor (the “Global Settlement”) in:

American Video Graphics, L.P. v. Hewlett Packard Co., et al., No. 6:04 CV 397 (E.D. Tex.) (the “397 Case”);

American Video Graphics, L.P. v. Electronic Arts, Inc., et al., No. 6:04 CV 398 (E.D. Tex.) (the “398 Case”);

American Video Graphics, L.P. v. Sony Corp. of America, et al., No. 6:04 CV 399 (E.D. Tex.) (the “399 Case”);

American Video Graphics, L.P. v. Microsoft Corp., et al., No. 6:05 CV 006 (E.D. Tex.);

American Video Graphics, L.P. v. Sony Corp. of America, et al., No. 2:05 CV 120 (E.D. Tex.) (the “120 Case”); and

American Video Graphics, L.P. v. Hewlett Packard Co., et al., No. 2:05 CV 121 (E.D. Tex.) (the “121 Case”).¹

¹The settlements did not include Sony Electronics Inc., or Systemax, Inc., in the 397 and 121 Cases; Sony Computer Entertainment America, Inc., Sony Online Entertainment Inc., Electronic Arts, Inc., Take Two Interactive Software, Inc., and Activision, Inc., in the 398 Case;

All parties to the Global Settlement have now signed the agreement. AVG and all but five of the parties to the agreement have released their respective claims against the other in all cases in which the parties appeared. All claims of all parties in the 399, 006, and 120 Cases have been dismissed.²

AVG and three of the remaining five parties - Fujitsu Computer Systems Corporation (“Fujitsu”), Matsushita Electric Industrial Co. Ltd. (“Matsushita”), and Toshiba Corporation (“Toshiba”) - are working on documents to submit to the IRS and then the appropriate Japanese tax authorities regarding the settlement. AVG anticipates that the necessary documents will not be available for submission to the Japanese tax authorities for 60 to 90 days. Once the necessary documents are accepted by the tax authorities, AVG expects that the remaining claims between it and Fujitsu, Matsushita, and Toshiba will be dismissed within 15 to 20 days.

AVG expects that the claims between it and the remaining two parties - Micro Electronics, Inc. and Winbook Computer Corporation - will be dismissed before the end of February 2006.

The only Defendant which is not a party to the Global Settlement or the Sony Settlement (see note 1, supra.) is Systemax, Inc., a Defendant in the 397 and 121 Cases. AVG is in talks with Systemax.

and Sony Computer Entertainment America, Inc. in the 399 and 120 Cases. As indicated in the “Joint Report on Status of Settlement and Joint Motion to Continue Stay” filed by AVG and the remaining Defendants in the 398 Case, AVG has reached a settlement with various Sony Parties that resolves all claims against the foregoing Sony Defendants as well as against Electronic Arts, Inc., Take Two Interactive Software, Inc., and Activision, Inc. (the “Sony Settlement”).

²With the completion of the Sony Settlement and the filing of the related dismissals, all claims in the 398 Case have been dismissed as well.

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DATED: February 10, 2006

Respectfully submitted,

McKOOL SMITH, P.C.

/s/ Sam Baxter

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**ATTORNEYS FOR PLAINTIFF
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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this notice was served on all counsel who have consented to electronic service. Local Rule CV-5(a)(3)(A). Pursuant to Fed. R. Civ. P. 5(d) and Local Rule CV-5(e), all other counsel of record not deemed to have consented to electronic service were served with a true and correct copy of the foregoing by U.S. mail, on this the 10th day of February, 2006.

_____/s/ Sam Baxter
Sam Baxter